



**Fiscal Note**  
**H.B. 47 1st Sub. (Buff)**  
2016 General Session  
Postretirement Employment Rural  
Exception  
by Cunningham, R. (Cunningham, Rich.)



**General, Education, and Uniform School Funds**

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$0	\$0	\$0

**State Government**

UCA 36-12-13(2)(b)

Enactment of this legislation likely will not materially impact state revenue.

Revenues	FY 2016	FY 2017	FY 2018
Total Revenues	\$0	\$0	\$0

Enactment of this legislation would likely increase the actuarially determined contribution rates for URS systems. At present, the URS board certified contribution rates paid by employers are higher than the actuarially determined rates, so employer costs would not immediately increase. However, the portion of retirement contributions designated to reduce the existing unfunded retirement liability would decrease by \$413,900 per year. Additionally, the presumed incentive for employees to retire earlier would increase in the unfunded actuarial accrued retirement liability of the State by \$5,711,600. Due to the sunset provision of this bill, the long-term impact will require more in-depth actuarial analysis.

Expenditures	FY 2016	FY 2017	FY 2018
Total Expenditures	\$0	\$0	\$0

Net All Funds	\$0	\$0	\$0
---------------	-----	-----	-----

**Local Government**

UCA 36-12-13(2)(c)

Enactment of this legislation would likely increase the actuarially determined contribution rates for URS systems. At present, the URS board certified contribution rates paid by employers are higher than the actuarially determined rates, so employer costs would not immediately increase. However, the portion of retirement contributions designated to reduce the existing unfunded retirement liability would decrease by \$804,700 per year for local governments and \$859,500 per year for schools. Additionally, the presumed incentive for employees to retire earlier would increase in the unfunded actuarial accrued retirement liability by \$12,358,600 for local governments and \$11,848,800 for schools. Due to the sunset provision of this bill, the long-term impact will require more in-depth actuarial analysis.

Enactment of this legislation would likely increase the actuarially determined contribution rates Tier II Hybrid plans. With employer's costs fixed at 10% of pay (12% of pay for public safety and firefighters), the increase in rates would result in a decrease in contributions to employees defined contribution plans by \$133,000 annually. Due to the sunset provision of this bill, the long-term impact will require more in-depth actuarial analysis.

**Performance Note**

JR4-2-404

No performance note required for this bill

**Notes on Notes**

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.